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Behind Spy Arrest of Russian: Concern Over Misuse of U.N.

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WASHINGTON, Sept. 12 — The espionage arrest of a Soviet employee of the United Nations was carried out for a number of reasons, including a decision to confront the Soviet Union over the use of the United Nations for spying, according to Reagan Administration officials.

They said other reasons for the decision to arrest the Russian, Gennadi F. Zakharov, despite the possibility of Soviet retaliation, included a judgment by the Federal Bureau of Investigation that he was a relatively minor operative who could not be turned into a double agent or profitably fed false data.

In addition, there was a strong feeling in the Administration that any spy caught "red handed" should be prosecuted, just as more than a dozen Americans have in the last year.

Double Agent Involved

The precise timing of the arrest, officials said, was based on Mr. Zakharov's requests in early August for classified information from the double agent he thought he was using, officials said.

The arrest was approved at least a week in advance by the State Department and White House, but the move was made without the advice of some of the Administration's most senior officials.

A reconstruction of the events surrounding the case, based on interviews with dozens of Administration officials, shows that in mid-August, the F.B.I.'s request to make the arrest was reviewed and approved by such senior officials as Adm. John M. Poindexter, the President's national security adviser, and Michael H. Armacost, the No. 3 man in the State Department.

One official said President Reagan was also told in advance that an arrest was expected soon of a Soviet employee of the United Nations.

But other senior officials were not consulted in advance about the arrest, which touched off a major confrontation between Washington and Moscow when the Soviet Union responded by bringing espionage charges against Nicholas S. Daniloff, an American journalist.

Asked whether the White House had either approved or taken part in the decision to arrest the Russian, Donald T. Regan, the White House Chief of Staff, said today: "We don't go around approving what the F.B.I. and the court system do. The courts of the United States and the prosecutors of the

United States act under the laws of the United States. The White House hasn't anything to do with spies and catching spies. That's not our job."

Secretary of State George P. Shultz endorsed the arrest of Mr. Zakharov. But he said he had not approved it in advance. "The details of what the F.B.I. does in the arrest of a particular individual is typically not ratched through, every time they do something, the entire hierarchy of Government," he said.

Administration officials said F.B.I. arrests of Soviet nationals must always be approved, in advance, at high levels of the State Department and the White House. In this case, officials said, Mr. Zakharov's arrest was approved in mid-August without significant internal disagreement.

An Administration expert on Soviet affairs, who was not involved in the case, speculated that the vacation schedules of Mr. Shultz and others might have been one reason Mr. Zakharov's arrest was approved with so little debate. "It was a typical late-August decision," he said. "Look around, where were the debaters? They were out of town on vacation."

Misread Moscow's Mind

But other officials said the decision reflected longstanding Administration policies, although they acknowledge now that they underestimated Moscow's willingness to chill the entire range of superpower relations in its efforts to assist an accused spy.

Administration officials said foreign policy questions such as the planned summit meeting between Mr. Reagan and Mikhail S. Gorbachev, the Soviet leader, were weighed in the decision to arrest Mr. Zakharov.

"Of course, thought was given to the foreign policy considerations," a State Department official said. "Every person involved in these kinds of decisions knows that there are always consequences and that there's a possibility of retaliation. That isn't to say that anyone predicted what would happen."

The officials said they did not consider handling the case quietly, without a prosecution, by expelling Mr. Zakharov from the country. They said that since two Soviet employees of the United Nations were arrested, convicted and imprisoned in 1978 under the Carter Administration, the F.B.I. has not quietly resolved or ignored any similar case in which prosecution could

have been brought. The two Russians were eventually traded for five Soviet dissidents.

American officials said that although they expected a Soviet response, they were surprised when Soviet agents entrapped and arrested Mr. Daniloff in Moscow.

Over the next two weeks, high-level officials at first took a hard line, arguing that Mr. Zakharov should not even be granted a release on bond until Mr. Daniloff was returned to the United States. One senior official said early in the confrontation: "In the past, we gave them the signal that we are soft on this syndrome. We want them to understand we won't do it."

In the face of an unbending Soviet position, however, the Administration's position shifted, and it was announced today that the two men would be released to the custody of their ambassadors. Some involved said there had been a growing feeling that the issues of principle and precedent involved in the Zakharov case paled in comparison with the need to preserve chances for diplomatic initiatives like the summit meeting.

Analysts and experts on Soviet affairs inside and outside the Administration said the arrest of Mr. Zakharov and its aftermath demonstrated the extent to which the two nations are unable to forecast the behavior of the other, despite decades of experience.

Soviet analysts said it was not surprising that the Moscow would view the arrest as a provocation, particularly since Mr. Zakharov had been dealing with an agent controlled by the F.B.I. for nearly three years.

They said the espionage charges against Mr. Daniloff followed a pattern of arresting Americans in retaliation. In the 1978 prosecution of the two Soviet employees of the United Nations, for instance, Moscow arrested an American businessman, who was freed only when the accused Russians were released on bond to their ambassador.

The Soviet, in turn, appears to have underestimated the anger in the Administration over the use of the United Nations as an espionage outpost and over the entrapment of Mr. Daniloff.

"The Soviets are very bad at predicting American reactions," a Government expert said. "They look at past performance and assume that this how things will go again, which totally misreads the American psychology, which is to take a lot of crap and then blow up."

American officials have concluded

Continued

that the Russians were planning to stage an incident in retaliation almost immediately after Mr. Zakharov's arrest. They disclosed that shortly after the arrest in New York, the American Embassy in Moscow received a call from a Soviet citizen offering information. The offer was rebuffed, and the embassy refused to send a diplomat to meet the potential source.

Administration officials now speculate that Mr. Daniloff's arrest might have been a "second choice" that was hastily arranged after Soviet agents failed to lure an American diplomat into a compromising situation.

A broad range of Administration officials at the White House, State Department and Justice Department said one of the key factors in their final approval of the arrest was longstanding concern over the Soviet Union's use of United Nations employees for intelligence gathering.

That position, officials said, proceeded from Mr. Reagan's personal view. The officials said the President believed that spy cases should be prosecuted vigorously whenever they occurred, whatever was going on in American-Soviet relations on other fronts.

Began Nearly 4 Years Ago

The case against Mr. Zakharov, a physicist, had its beginnings nearly four years ago when he came to New York as a scientific officer in the United Nations Center for Science and Technology Development.

According to the F.B.I., in April 1983, Mr. Zakharov went to the campus of Queens College and approached a student who has been identified only by the code name "Birg." Officials have said Birg is a permanent resident alien of Guyanese descent who is in his mid-20's.

Birg reported the contact to the F.B.I. and was immediately enlisted as a double agent. At his second meeting, he received an unspecified amount of money from Mr. Zakharov, and over the next two years, the two men met repeatedly. Mr. Zakharov paid Birg to steal unclassified microfiche on computers, robotics and artificial intelligence from various libraries, the F.B.I. said in an affidavit.

Administration officials disclosed that at the same time Mr. Zakharov was meeting with Birg, he was also trying to develop other Americans as sources of information, some of whom were also working as double agents for the F.B.I.

Not all the contacts continued. In one instance, a double agent who had volunteered to work with Mr. Zakharov dropped out because his role was becoming too time-consuming, Administration officials said.

In January 1985, after Birg graduated from college, Mr. Zakharov encouraged him to apply for a job with a high technology company, and he paid to have professional résumés prepared. Mr. Zakharov, according to the F.B.I., also offered to pay for his graduate education.

A year ago, Birg took a job with a company in Queens that manufactures components for military aircraft engines. In January of this year, Mr. Zakharov asked Birg to photocopy the first few pages of operating manuals for his company's machines. Mr. Zakharov is said to have cautioned Birg that "their relationship was no longer as innocent as it had been previously," the F.B.I. said in its affidavit.

Case Takes a New Turn

According to Administration officials, the F.B.I. agents managing the case in New York were convinced that Mr. Zakharov could well violate American espionage laws. F.B.I. headquarters was notified that the case had taken a new turn.

It was at this point that Mr. Zakharov began to verge over the boundaries of what some officials call the "rules of the game" as they are tacitly understood by American and Soviet intelligence services.

As an employee of the United Nations, Mr. Zakharov held limited diplomatic immunity, meaning that he could not be prosecuted for his official activities. He was, however, otherwise subject to American espionage laws.

Generally, Soviet nationals like Mr. Zakharov who lack immunity are used as "spotters," according to intelligence sources. They identify potential sources of information, and then leave the actual passing of information to diplomats, who hold immunity.